

RA3

UNAPPROVED MINUTES  
CITY OF MILPITAS

Minutes: Regular Meeting of Milpitas Redevelopment Agency (Including  
Joint Meeting with City Council and Financing Authority)  
Date of Meeting: May 18, 2004  
Time of Meeting: 8:00 p.m.  
Place of Meeting: Council Chambers, City Hall

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**RA1.  
CALL TO ORDER**

Mayor Esteves called to order the regular meeting of the Milpitas Redevelopment Agency, meeting jointly with the City Council, at 8:00 p.m.

**RA2.  
ROLL CALL**

Present were Mayor Esteves, Vice Mayor Dixon, and Agency/Councilmembers Gomez, Livengood, and Polanski.

**RA3.  
MINUTES**

MOTION to approve the Redevelopment Agency minutes of May 4, 2004, including joint meeting with the City Council, as submitted.

M/S: Gomez, Polanski

Ayes: 5

**RA4.  
AGENDA**

MOTION to approve the Agenda and Consent Calendar as submitted.

M/S: Gomez, Livengood.

Ayes: 5

Agency/Councilmember Livengood said he would be abstaining from the discussion and vote on items RA5 and RA6 and left the Council chambers.

**RA5.  
MEMORANDUM OF  
UNDERSTANDING  
KB HOME SOUTH BAY, INC.**

Assistant City Manager Blair King reviewed the Memorandum of Understanding (MOU) between KB Homes and the Milpitas Redevelopment Agency, the City, and the County of Santa Clara to provide affordable housing for the KB Elmwood development. Mr. King reported that KB had agreed to the MOU, today the Board of Supervisors unanimously approved it, Jeff McMullen, Vice President of KB Homes was present in the audience along with Larry Klamecki, Special Projects Manager for Santa Clara County, and they were available to answer questions relating to their organizations. Mr. King further reported that the MOU requires the development of 110 deed restricted, moderate-income home ownerships units (85 condominiums, 15 townhomes, and 210 single-family detached homes) and a contribution of \$6 million (\$5 million from KB and \$1 million from the County) towards the development of a 98-unit low-income senior housing project proposed for North Main Street, resulting in the development of 208 affordable units (allowing the project to achieve an approximate 30 percent affordability factor). Mr. King explained that the MOU requires the Agency construct the senior affordable apartments within five years and six months of the close of escrow for the Elmwood property or provide the County with the \$5 million KB contribution; staff felt the deadline date could be met.

MOTION to:

1. Adopt Resolution No. RA220 of the Redevelopment Agency authorizing the execution of a Memorandum of Understanding to provide Affordable Housing on the Elmwood Property.
2. Adopt Resolution No. 7401 of the City Council of Milpitas authorizing the execution of a Memorandum of Understanding to provide Affordable Housing on the Elmwood Property.

M/S: Dixon, Polanski.

Ayes: 4 Abstain: 1 (Livengood)

**RA6.  
MID-PENINSULA HOUSING  
COALITION  
SENIOR HOUSING PROJECT**

Assistant City Manager King reported with the adoption of the MOU with KB; the City, the Agency, and the County, staff was recommending the Council/Agency enter into an Exclusive Negotiation Agreement with Mid-Peninsula Housing Coalition to develop concepts for the project and to bring a proposal back to the Council. Mr. King commented that Fran Wagstaff, Executive Director of Mid-Peninsula, was present in the audience, Mid-Peninsula had pledged a \$5,000 non-refundable deposit that would be applied against the development costs if a subsequent development agreement results from this, the period of time extends to the later part of November, and staff was confident an agreement could be reached in that time.

MOTION to adopt Joint Resolution Nos. 7402 and RA221 of the City Council and Milpitas Redevelopment Agency to authorize the City Manager/Executive Director to enter into a period of Exclusive Negotiation with Mid-Peninsula Housing Coalition of Redwood City for the development of an affordable senior housing project on Assessor Parcel Number 022-08-041, at 163 North Main Street.

M/S: Dixon, Gomez.

Ayes: 4 Abstain:: 1 (Livengood)

Agency/Councilmember Livengood returned to the dais.

**RA7.  
APTON PROPERTIES, LLC  
MOU**

Principal Housing Planner Felix Reliford reported the item before the Council/Agency was a Memorandum of Understanding between the Redevelopment Agency and Apton Properties providing grant and loan assistance to facilitate the construction of 19 deed-restricted, affordable housing units consisting of 9 very low income units and 10 moderate-income units. Mr. Reliford further reported the MOU commits \$722,000 in grants, \$130,560 for a 20% reduction in City fees, and a \$378,000 construction loan to the developer for affordable housing assistance; upon full build out and sale, the project would produce approximately \$156,800 annually in new tax increment, provide 78 jobs during construction, and provide 96 new residential units, of which 19 will be deed-restricted affordable units. Mr. Reliford noted the developer was present in the audience.

Mayor Esteves passed the gavel to Vice Mayor Dixon and left the Council Chambers.

City Attorney Steve Mattas stated that the Mayor was abstaining on this item because he owns property that may be within the 500 ft. range.

MOTION to adopt Resolution No. RA222 of the Redevelopment Agency approving a Memorandum of Understanding by and between the Redevelopment Agency of the City of Milpitas and Apton Properties, LLC.

M/S: Gomez, Polanski.

Ayes: 4 Abstain: 1 (Esteves)

Mayor Esteves returned to the dais.

**RA8.  
LIBRARY PROGRESS  
REPORT (PROJECT No. 3394)**

Assistant City Engineer Greg Armendariz presented an update on the progress of the Library Project reporting that staff was currently involved in the selection process for the design architect. Mr. Armendariz further reported that nine proposals for the architectural design of the Library building were submitted as of the May 10, 2004, deadline, several of which were from prominent Bay Area design architectural firms and the interview process began today. Mr. Armendariz said background checks and visiting consultant offices and consultant projects was next with a report to the Library Subcommittee on June 14; the Subcommittee would review the short list of firms and would be making a recommendation to the Council on the finalist. Mr. Armendariz further stated staff would continue through the end of June negotiating the scope with the firm selected and bring the contract to the July meeting or first meeting in August for Council approval, at which time the consultant would be available for questions from the Council.

Agency/Councilmember Livengood commented that one of the issues that always comes up with these firms was sometimes the people who give the presentations are not the people you

work with after the contract is approved; he thought a clear expectation was needed as to who would be the contact for staff and who the Council would have contact with.

Mayor Esteves said in addition to the contacts, he would like to see an estimate of their schedule of work on the project.

Vice Mayor Dixon commented that the City had a "lessons learned" format and the consultants should be made aware of it.

Mr. Armendariz responded that staff had been very open with the process and the City's expectations so that the consultants understood not only staff's expectations but the expectations of the Council.

Vice Mayor Dixon commented that it really has to do with the contract, a lot had been learned, and she was hopeful there wouldn't be the same problems this time around. Vice Mayor Dixon inquired about the current available funding for the Library commenting there was some confusion about the TOT (Transient Occupancy Tax) at the Library Advisory Commission meeting last night. Vice Mayor Dixon said the TOT was never meant to be used to build the Library; it was to assist with the Library but not the building and asked how much had been expended so far. City Manager Thomas Wilson responded he didn't have the exact number and could get back to the Council with it but in addition to staff time commitments, there were some expenses associated with the programming (Ripley Associates) and some initial expenses for site acquisition, appraisals, and preservation of the former Senior Center in the project. Mr. Armendariz added that staff would provide the exact number with the next report.

MOTION to note receipt and file Library Project Progress report.

M/S: Polanski, Livengood.

Ayes: 5

**\*RA9.  
Fire Department Apparatus**

Authorized the Redevelopment Agency to purchase and equip one Ladder Truck and one Fire Engine to conform to the Midtown Specific Standards.

**\*RA10.  
Midtown and Related  
Improvements for Main Street**

Authorized the City Manager to execute the agreement amendment with Swinerton Management & Consulting in the amount of \$600,000, to perform additional project management and coordination services for the Midtown and related improvements for Main Street, including the library project, subject to approval as to form by the City Attorney.

**\*RA11.  
Abel Street  
Midtown Improvements**

Authorized the City Manager to execute the agreement amendment with JMH Weiss Inc. in the amount not to exceed \$304,000, to include the design of street improvements to Serra Way between Calaveras and Main, and Curtis Street between Abel and Main, subject to approval as to form by the City Attorney.

**RA12.  
ADJOURNMENT**

There being no further Redevelopment Agency business, Mayor Esteves adjourned the Redevelopment Agency meeting at 8:41 p.m.

Gail Blalock, Secretary/City Clerk